

Message Text

UNCLASSIFIED

PAGE 01 JIDDA 00556 040826Z

16

ACTION EB-11

INFO OCT-01 NEA-11 ISO-00 AGR-20 COME-00 AID-20 TRSE-00

CIAE-00 INR-10 NSAE-00 RSC-01 DRC-01 /075 W

----- 053120

R 040615Z FEB 74

FM AMEMBASSY JIDDA

TO SECSTATE WASHDC 6068

INFO AMCONSUL DHAHRAN

AMEMBASSY BEIRUT

AMEMBASSY ISLAMABAD

UNCLAS JIDDA 556

DEPT PASS FAS USDOC

E.O. 11652: N/A

TAGS: ETRD, BEXP, SA

SUBJECT: SAG SUBSIDY FOR IMPORT OF FOOD STAPLES

SAG MINISTRY OF COMMERCE HAS ANNOUNCED AN IMPORT SUBSIDY TO STABILIZE DOMESTIC PRICES OF RICE, FLOUR AND SUGAR. WHOLESAL PRICES OF THESE COMMODITIES HAVE BEEN FIXED BY GOVT. EDICT AND SUBSIDY WILL BE PAID TO IMPORTERS TO COMPENSATE FOR THE DIFFERENCE BETWEEN WORLD MARKET PRICES AND LEVEL AT WHICH IMPORTERS MUST SELL. SPECIFIC AMOUNT OF SUBSIDY WILL BE DETERMINED BY TAKING MONTHLY READING OF AVERAGE WORLD MARKET PRICES FOR COMING MONTH, ADDING APPROXIMATELY 10 PERCENT PROFIT FOR IMPORTER AND CALCULATING DIFFERENCE FROM SET DOMESTIC PRICE. THIS FIXED MONTHLY RATE WILL THEN BE PAID TO THE IMPORTER ACCORDING TO QUANTITY INVOLVED ON PRESENTATION OF DOCUMENTATION. CALCULATION OF FIXED RATE RATHER THAN SIMPLY PAYING THE DIFFERENCE ON A SALE-BY-SALE BASIS EVIDENTLY MEANT TO ENCOURAGE IMPORTERS TO CONTINUE SEEK BEST BUYS ABROAD, THUS INCREASING THEIR ACTUAL PROFIT. INITIAL ESTIMATE OF AMOUNT TO BE PAID OUT AS SUBSIDY IS 300 MILLION SR (\$85 MILLION) DURING CURRENT YEAR.

AKINS

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: IMPORTS, SUBSIDIES, AGRICULTURAL PRICE SUPPORTS
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Draft Date: 04 FEB 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974JIDDA00556
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Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
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Previous Handling Restrictions: n/a
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Review Content Flags:
Review Date: 01 MAY 2002
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Review Exemptions: n/a
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Review Markings:

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30 JUN 2005

Review Media Identifier:
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TAGS: ETRD, BEXP, SA
To: STATE
Type: TE
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